right type of fertilizers on time and in adequate quantity have an important role.

(c) and (d) Despite the vital role of fertilizers in agricultural production, fertiliser Industry can not be categorized as a strategic industry.

Based on the recommendations of the Disinvestment Commission, Government have decided to disinvest 51% of its equity in National Fertilizers Limited (NFL) out of its curent holding of 97.65% and 32.74% of its equity in Madras Fertilizers Limited (MFL) out of its current 58.74% holding, through sale to a strategic buyer alongwith transfer of management control. Out of the other four fertilizer public sector companies, namely The Fertilizer and Chemicals Travancore Limited (FACT), Pyrites, Phosphates and Chemicals Limited (PPCL), Paradeep Phosphates Limited (PPL) and Rashtriya Chemicals and Fertilizers Limited (RCF), which have been identified for disinvestment, the decision in the case of FACT and RCF has been deferred, whereas in the case of PPCL and PPL, the process is at an initial stage. The remaining two companies namely, The Fertilizer Corporation of India Limited (FCI) and Hindustan Fertilizer Corporation Limited (HFC) have since been declared sick and therefore there is no proposal to disinvest Government equity in these companies.

Levy of tariffs on fertilizer imports

3418. SHRI C.M. IBRAHIM: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether, in order to offset the loss to the domestic industry, consequent on lifting the quantitative import restrictions on fertilizers as proposed, Government have been considering to impose a levy tariff on fertilizer imports;

(b) if so, what decision, if any has been taken in the matter; and

(c) how it is likely to affect the market prices of different fertilizers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) to (c) Urea is the only fertilizer which is under price, movement and distribution control and whose imports are made on Government account. The Quantitative Restrictions (QRs) on urea have to be lifted w.e.f. 1.4.2001. The freeing of QRs, including those on urea, is a commitment India has entered into in an Agreement with USA in December, 1999 following the ruling of the Dispute Settlement Body of the WTO that

India's QRs were not justified on balance of payments grounds. The Government has set up a Task Force to study the impact of removal of QRs on urea and suggest measures including that of bound rate which will be made applicable to protect the indigenous industry. The recommendations of the Tasks Force will form the basis for imposition of applied rate of tariff on urea imports.

All other major fertilizers are decontrolled and their imports are being freely made on private trade account. Currently, tariff on Di-Ammonium Phosphate (DAP) and Sulphate of Potash (SOP) is 5% while it is 5.5% in respect of other fertilizers.

The Govenment has so far been notifying Maximum Retail Price (MRP) of urea under Essential Commodities Act. In respect of decontrolled fertilizers, the Government has been fixing MRP under the Concession Scheme which is administered by the Department of Agriculture and Cooperation. So long as this arrangement continues, levying of tariff may have no impact on the market prices.

Excess charging by oil companies from fertilizer units

3419. SHRI DILIP SINGH JUDEV:
SHRI BRATIN SENGUPTA:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the oil companies have been charging the fertilizer units for naphtha fuel oil and LSHS at rates higher than the import parity prices;

(b) if so, the reasons therefor; and

(c) the additional subsidy outgo due to such excess charge during 1998-99 and 1999-2000?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) to (c) As part of the phased programme of dismantling the administered pricing mechanism, some petroleum products including naphtha and LSHS have been decontrolled effective 1.4.1998. These pertroleum products which were earlier available to fertilizer companies at consessional rates under the administered pricing mechanism are now being sold by the refineries at market driven prices. Public Sector Oil Companies charge the fertilizers units for naphtha, fuel oil and LSHS supplied to them at prices that are worked out on the principle of import parity.